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SUBJECT : Situation Report - PBSUCCESS for the Period 20-26 April 1954

- I. Operational The following events of operational significance occurred during the reporting period:
 - A. Ambassador Peurifoy arrived in Washington from Guatemala City on 20 April and met the next day with officials of this Agency for debriefing. Notes on this meeting may be found in a detailed "Memorandum for the Record" dated 22 April 1954 in PBSUCCESS files. At present [] .] Is preparing to brief the Ambassador on pertinent aspects of PBSUCCESS.
 - B. On 21 April 1954 () reported that [] chief of the PP group in Guatemala, became the object of a police search as the result of a crackdown by the Guatemalan Government on the "32 campaign". [] took refuge in [] apartment, but left later that same night as he felt that his hiding would be evidence of his guilt. In connection with the police attack on the [] group, Radio Internacional was attacked the night of 21 April by five armed masked men believed by the radio station owner to be members of the Guatemalan Secret Police. The owner based his belief on the fact that police had previously warned him against carrying anti-Communist programs.
 - C. On 21 April President Osorio of El Salvador stated that he and President Arbenz of Guatemala have a secret pact pledging mutual non-interference. Osorio also said that he has information regarding recent large arms shipments to Guatemala. The bold assassination attempt on President Somoza of Nicaragua, coupled with the foregoing, genuinely worries Osorio in regard to Guatemala's intentions toward El Salvador.

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It has been suggested by Lincoln that travel to Lincoln for 60 days in connection with PP activities.

E. The Guatemalan Governments intends to replace Rogelio CRUZ Wer as Chief of Police but is withholding action until police complete an investigation of telegrams intercepted by their agents in an unnamed



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nearby country. These telegrams reportedly reveal details of Calligeris' activities. One of the telegrams reads, "Ya estan comprados los K". It was also reported that CRUZ Wer refuses to give up his office until the return to Guatemala of Col. Carlos Enrique DIAZ, Chief of the Guatemalan Armed Forces who at present is touring South America. DIAZ was responsible for CRUZ Wer's appointment as police chief.

- F. Two black flights were successfully completed \(\) \(\) on 26 April, carrying a total of 10,000 pounds of cargo. Another black flight is scheduled for 27 April and will carry communications gear for Sherwood \(\)
- G. In regard to [] Threatened resignation, Calligeris wrote a letter to [] Threatened resignation, Calligeris and expressed concern for the latter's health. He went on to remind him of his patriotic duty and stated that he hoped the two could meet in the U.S. as soon as possible to discuss his resignation, future relationships, and political plans. In conclusion, Calligeris admits some of his mistakes to [] In the event that [] Ifollows through with his plan to resign from PBSUCCESS, Calligeris states that [] is his choice to replace []
- H. The D team is now in D preparing to process about twenty three persons previously not available for testing.
- - The site for the Sherwood Program has been established and is ready for operation.
- K. Headquarters prepared a labor paper to be presented to Calligeris for his approval, the purpose of which is to insure the emergence of a free-trade union movement upon the completion of PBSUCCESS.
- II. Administrative Support Activities
 - A. Logistics

An air freight flight was accomplished without incident from (

2 on 23 and 24 April. The cargo consisted of approximately 10,000 lbs. of communications gear for Sherwood.

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B. Personnel

Several routine personnel transactions were accomplished during the week. The main problem with regard to personnel is the matter of their present and future status and promotion policy while assigned to PBSUCCESS. Lincoln continues to recommend personnel for promotions and does not feel that promotions must necessarily be in accord with present WHD policy. A staff raper outlining the problems will be submitted next week for study.

C. Finance

Headquarters received the monthly requirements for additional funds to be forwarded to Lincoln and regional command stations. The request has been submitted and approved by DD/P and the funds will be pouched through the regular secure finance channel.

D. General

Twice weekly pouch service in and out of 1 has been established for regional command stations.

